

SENATE BILL NO. 182

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY SENATOR TAYLOR

Introduced: 5/19/99

Referred: Resources, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to determining the total acreage of oil and gas leases that may
2 be taken or held by one person, and setting out procedures to be followed to
3 reduce holdings when the total acreage of oil and gas leases taken or held by
4 a person exceeds the amount that may, by law, be taken or held by one person;
5 and providing for an effective date."

6 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

7 * **Section 1.** AS 38.05.140 is amended by adding a new subsection to read:

8 (g) If the acreage taken or held by a person under the person's oil or gas leases
9 exceeds the maximum acreage that, under (c) of this section, may be taken or held at
10 one time by a person, the commissioner shall require the person to relinquish the
11 excess acreage

12 (1) by identifying all the person's nonproducing leases; and

13 (2) as to the tracts in the leases described in (1) of this subsection, by

1 determining by lot the tracts in excess of the maximum acreage that shall be
2 relinquished by the person to the state; the commissioner shall thereafter reoffer the
3 relinquished tracts for lease.

4 * **Sec. 2.** AS 38.05.180(q) is amended to read:

5 (q) A plan authorized by (p) of this section, which includes land owned by the
6 state, may contain a provision vesting the commissioner, or a person, committee, or
7 state agency, with authority to modify from time to time the rate of prospecting and
8 development and the quantity and rate of production under the plan. **Leases [ALL**
9 **LEASES]** operated under a plan approved or prescribed by the commissioner are
10 excepted in determining holdings or control under AS 38.05.140, **this exception does**
11 **not apply, however, if a leaseholder obtains leases that would exceed the**
12 **maximum acreage that, under AS 38.05.140, may be held by one person by an**
13 **acquisition, consolidation, merger, or similar combination of business form or**
14 **venture involving another leaseholder and the principal purpose of the business**
15 **combination does not involve the conservation of the oil or gas resources of the**
16 **leases that is necessary or advisable in the public interest.** The provisions of this
17 section concerning cooperative or unit plans are in addition to and do not affect
18 AS 31.05.

19 * **Sec. 3.** This Act takes effect immediately under AS 01.10.070(c).